

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF**

FROM: CATHLEEN MCHUGH

DATE: JUNE 11, 2013

**SUBJECT: CASE NO. IPC-E-06-34
INCLUSION OF OMITTED PRICING INFORMATION IN THE FIRM
ENERGY SALES AGREEMENT BETWEEN IDAHO POWER AND HOT
SPRINGS WINDFARM.**

On May 14, 2013, Idaho Power Company (Idaho Power; Company) submitted for Commission approval an Application to include additional pricing information to the December 20, 2006, Firm Energy Sales Agreement (Agreement) between Idaho Power and Hot Springs Windfarm, LLC (Hot Springs). The original Agreement is for a 20-year term and was approved on February 20, 2007, in Order No. 30246. The First Amendment was approved on August 8, 2007, in Order No. 30398.

BACKGROUND

In the original Agreement, Hot Springs selected December 31, 2007 as the estimated scheduled operation date for the Hot Springs Windfarm Project (Project). The pricing schedule contained in that Agreement extended 20 years from that date (through 2027). In the First Amendment, Hot Springs and Idaho Power agreed to amend the original Agreement to extend the scheduled operation date for a period of approximately one year. However, at that time, the pricing schedule in the Agreement was not updated to reflect the new scheduled operation date.

In April 2013, Hot Springs notified Idaho Power that the 20-year pricing schedule did not extend for the full term of the Agreement. The pricing contained in the Agreement is based upon the standard published avoided cost rates in effect at the time the Agreement was executed and in accordance with Order No. 29646. On May 3, 2013, Idaho Power provided Hot Springs with a

letter setting forth the pricing to be applied to the last 12 months of the term of the Agreement based upon the standard published avoided cost rates in effect at the time.

STAFF REVIEW

Idaho Power states in its Application that the Company attempted to notify the Commission of its additional pricing by letter. Commission Staff requested that Idaho Power file an application seeking Commission approval of the pricing and verifying that Hot Springs acquiesced in the pricing additions. Staff has verified that the prices provided by Idaho Power are based upon the standard published avoided cost rates in effect at the time and in accordance with Order No. 29646. In addition, the Commission was notified by a letter dated May 31, 2013, that Hot Springs agrees, understands and accepts the updated pricing.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the inclusion of these additional prices into the terms of the Agreement between Idaho Power and Hot Springs without further process.

COMMISSION DECISION

Does the Commission wish to approve, without further process, the inclusion of pricing information so that the pricing schedule extends through the full term of the Agreement?



Cathleen McHugh